

Essex Pension Fund Business Plan 2014/15

Governance

Objectives:

- Provide a high quality service whilst maintaining value for money
- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
- Evolve and look for new opportunities that may be beneficial for our stakeholders, particularly the Fund's beneficiaries, ensuring efficiency at all times
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
- Understand and monitor risk and compliance
- Continually measure and monitor success against our objectives

Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at September 2014
1. Annual business plan will be put in place.	Proposed actions for 2014/15 business plan actions presented to 5 March 2014 Board for approval.	DfEPF & HoEPF	Complete

Action	How will this be achieved?	Officer managing action*	Progress as at September 2014
2. Further roll out of training and training needs assessments	<p>Training & training needs assessments will continue in 2014/15.</p> <p>Specific provision will be made for any new Board Members.</p>	IGAA	<p>In progress -</p> <p><i>infoBOARD</i> training scheduled prior to 17 September 2014 Pension Board meeting.</p>
3. Board members' knowledge centre	A web based facility for Members to replace the handbook will be identified and put in place.	HoEPF	<p>In progress -</p> <p><i>infoBOARD</i> training scheduled prior to 17 September 2014 Pension Board meeting.</p>
4. Annual review of governance policy	Review governance policy to ensure it is relevant and up to date, including the governance compliance statement.	DfEPF, HoEPF & IGAA	Scheduled for December 2014 Pension Board meeting
5. Annual review of Pension Fund Board	Review the effectiveness of the Pension Fund Board and the services supplied to it.	GTM and IGAA	Scheduled for December 2014 Pension Board meeting
6. Procurement of Independent Governance Adviser	The procurement will be completed during 2014/15	DfEPF & HoEPF	<p>In progress –</p> <p>A separate report appears elsewhere on the 17 September 2014 Board agenda</p>
7. Implement the requirements of the Public Sector Pension Act 2013	<p>Respond to consultation on draft Governance regulations</p> <p>Agree & implement required changes to Governance arrangements</p>	DfEPF, HoEPF & IGAA	<p>In progress –</p> <p>A separate report appears elsewhere on the 17 September 2014 Board agenda. This includes the Fund's response to the consultation on draft Governance regulations.</p>

Investments

Objectives:

- To maximise the returns from investments within reasonable risk parameters
- To ensure the Fund is properly managed
- Ensure investment issues are communicated appropriately to the Fund's stakeholders

Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at September 2014
8. Review of asset allocation	Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings. July 2014 and February 2015.	DfEPF	In progress Formal annual review took place at 23 July 2014 ISC Strategy meeting. A further review will take place in February 2015.
9. Implement any review of investment allocation arrangement	Implement the decisions taken at the July 2014 ISC strategy meeting.	DfEPF	In progress Arrangements to finalise the illiquid debt mandate appointment illiquid debt mandate appointment are underway
10. To review investment management fees	Ensure that fee monitoring arrangements form part of the annual review of performance.	DfEPF	Complete The review took place at the 23 July 2014 ISC Strategy meeting.

Action	How will this be achieved?	Officer managing action*	Progress as at September 2014
11. Review the Statement of Investment Principles (SIP)	Annual Review of SIP – to include review of Statement of Compliance on Investment Decision Making	DfEPF	Scheduled for the next ISC meeting
12. Procurement of Independent Investment Adviser	The current arrangement ceases in July 2015. The ISC will consider its approach to this matter in 2014/2015	DfEPF	Scheduled to commence in early 2015.
13. Respond to the requirements of LGPS structural reform process	Respond to consultation on draft options for the structure of LGPS in England & Wales Monitor subsequent developments	DfEPF	In progress – A response to the consultation was considered at the July Board prior to submission. A verbal update will be given on this matter under agenda item 5a at the 17 September 2014 Board meeting

Funding

Objectives

- Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined in the Funding Strategy Statement
- To recognise in drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible
- To have consistency between the investment strategy and funding strategy
- To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives
- Maintain liquidity in order to meet projected net cash-flow outgoings
- Minimise unrecoverable debt on termination of employer participation

Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at September 2014
14. Review Funding Strategy Statement	Consideration will be given to whether the Funding Strategy requires review in the light of the results of the Interim Review as at 31 March 2014.	DfEPF and HoEPF	In progress A separate report appears elsewhere on the 17 September Pension Board agenda.
15. Interim Review as at 31 March 2014.	An interim review of the Fund as at 31 March 2014 will be commissioned from the Actuary.	DfEPF and HoEPF	In progress A separate report appears elsewhere on the 17 September Pension Board agenda.
16. Employer participation	Employer participation and membership of the Essex Pension Fund will be monitored on an on-going basis	DfEPF and HoEPF	In progress - Monitoring continues

Administration

Objectives:

- Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need
- Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount
- Data is protected to ensure security and authorised use only

Actions:

Action	How will this be achieved	Officer managing action*	Progress as at September 2014
17. New 2014 LGPS	Pending outcomes review and put in place a plan to deliver any requirements (e.g. revised processes, systems, etc).	HoEPF	In progress An upgrade release to the current administration system was received in August 2014 a further release is planned for January 2015. A complete letter and process review is on-going and manual workarounds are in place.
18. Complete the annual end of year data exercise as at 31 March	Complete year end accounting, gather information from employer and update Axise, and produce annual benefit statements.	HoEPF	Complete

Action	How will this be achieved	Officer managing action*	Progress as at September 2014
19. Administration Strategy	The Administration Strategy will be monitored during 2014/15.	HoEPF	In progress Monitoring continues
20. Auto Enrolment – Work based Pensions	Monitor developments and maintain dialogue with Pension Fund employers throughout the process of auto enrolment implementation. (Staggered staging dates apply to all employers – depending on size – between 2012 and 2016)	HoEPF	In progress Monitoring continues
21. Implementation of new administration system	A project plan to be in place to deliver a new system by 31 December 2014	HoEPF	In progress – The project is proceeding to plan. Second data cut took place August 2014 Data Cleanse on-going Testing commenced August 2014 Third data cut due September 2014

Communications

Objectives:

- Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally
- Ensure our communications are simple, relevant and have impact
- Deliver information in a way that suits all types of stakeholder
- Aim for full appreciation of the pension scheme benefits and changes to the scheme by all scheme members, prospective scheme members and employers

Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at September 2014
22. New 2014 LGPS	Pending outcomes, review and put in place a plan to deliver any communication requirements including delivery of key messages	HoEPF	In progress Communications continue during 2014/15
23. Monitor Communications Policy	The communications policy will be monitored during 2014/2015	HoEPF	In progress Monitoring continues

Key:

DfEPF: Director for Essex Pension Fund

HoEPF: Head of Essex Pension Fund

GTM: Governance Team Manager

IGAA: Independent Governance & Administration Adviser